



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

COURTLAND M. GETTEL,

Defendant.

Case No. 16 CR 1099-WQH

INFORMATION

18 U.S.C. § 1349

(Wire Fraud Conspiracy)

18 U.S.C. § 981(a)(1)(C),

28 U.S.C. § 2461(c)

(Criminal Forfeiture)

The United States Attorney charges, at all times material:

Background

1. Defendant COURTLAND M. GETTEL was the operator and majority shareholder of Conix Inc. ("Conix"), a real estate investment company based in Tucson, Arizona. Conix purchased single-family homes from banks or distressed homeowners, refurbished the properties, and then re-sold them for a profit. Conix also purchased performing and non-performing real estate debt from mortgage lenders, and hired a third party to service the loans.

2. J.G., an attorney licensed to practice in Arizona, began working with GETTEL in approximately May 2008. In around December

1 2010, J.G. left his law practice to devote most of his time to work
2 with GETTEL at Conix.

3 3. C.D. was a mortgage originator and lender experienced in
4 issuing high value short-term loans. C.D. began working with GETTEL
5 at Conix in around early 2012. In around October 2012, C.D. became
6 GETTEL's informal partner.

7 4. Through Conix, GETTEL and C.D. also purchased commercial
8 real estate. In around 2013, they created Variant Commercial Real
9 Estate, LLC ("Variant") to conduct the commercial real estate portion
10 of their business portfolio.

11 5. In connection with their business ventures, GETTEL, C.D.,
12 J.G., and their associates created hundreds of additional corporations
13 and limited liability companies ("LLCs"). GETTEL and his partners
14 created and used these corporations and LLCs in part to shield assets
15 and disguise the true participants in various transactions.

16 6. In around mid-2012, GETTEL and C.D. relocated to San Diego,
17 California, where they opened an office. In around July 2012, they
18 hired R.R., a notary licensed in the State of California, to act as an
19 office manager.

20 7. In approximately early 2014, GETTEL and C.D. made plans to
21 invest money in high-end rental properties in La Jolla and Del Mar, by
22 buying and refurbishing luxury homes and then renting the properties
23 to vacationers. GETTEL and C.D. pitched this business plan to private
24 investors in an effort to generate financing.

25 The Conspiracy

26 8. Paragraphs 1 through 7 are realleged and incorporated by
27 reference herein.

1 9. Beginning at least around August 2013, and continuing
2 through January 2015, within the Southern District of California and
3 elsewhere, defendant COURTLAND M. GETTEL knowingly and intentionally
4 conspired and agreed with C.D., J.G., R.R., and others to commit wire
5 fraud, in violation of Title 18, United States Code, Section 1343.

6 10. The purpose of the conspiracy was to fraudulently obtain
7 tens of millions of dollars from private real estate lenders by
8 pretending that properties used as collateral were debt-free, when in
9 fact the properties were already encumbered with millions of dollars
10 in higher-priority claims, so that the conspirators could use the tens
11 of millions of dollars in loan proceeds for their own personal use and
12 benefit.

13 Manner and Means of the Conspiracy

14 11. To further the conspiracy, GETTEL, C.D., J.G., R.R., and
15 others utilized the following manner and means, among others:

16 a. GETTEL and C.D. would acquire luxury homes in La Jolla
17 and Del Mar, California, and would use the properties as
18 collateral to obtain tens of millions of dollars in loans.

19 b. In order to secure the loans, GETTEL and C.D. would
20 misrepresent the value of the properties, conceal the true
21 purchase prices, falsify their intended use of the properties,
22 and make other material misrepresentations to the lenders.

23 c. GETTEL and C.D. would then negotiate with new lenders
24 to obtain millions of dollars in additional loans secured by the
25 properties, concealing from the new lenders that the properties
26 were already encumbered with higher-priority claims.

27 d. In order to conceal the existing debt from the new
28 lenders, J.G. would create materially false and fraudulent "Deeds

1 of Full Release" and other fraudulent documents purporting to
2 show that the first loans had been paid in full, when in fact the
3 loans remained outstanding.

4 e. J.G. and R.R. would forge signatures and use fraudulent
5 notary stamps on the fraudulent deeds, to make the fabricated
6 documents appear authentic.

7 f. In order to make the false and fraudulent release of
8 the existing loans appear legitimate, J.G. would record the
9 fraudulent "Deeds of Full Release" and other fraudulent documents
10 at the San Diego County Recorder's Office.

11 g. In order to insulate themselves from liability for the
12 fraudulently-obtained loans, GETTEL, P.C.D., R.R., and others
13 would authorize others to forge their own signatures on loan
14 documents and deeds of trust and on the fraudulent releases.

15 h. GETTEL, C.D., and J.G. would collect tens of millions
16 of dollars in fraudulently-obtained loan proceeds issued by
17 lenders they knew were relying on fabricated documents and
18 fraudulent misrepresentations about the properties.

19 i. In order to conceal GETTEL's and C.D.'s participation
20 in the fraud, GETTEL, C.D., and J.G. would direct the proceeds to
21 bank accounts owned by corporations and LLCs, and to attorney
22 bank accounts owned by J.G., before disbursing the proceeds to
23 themselves or to others at their direction.

24 j. To obtain millions of dollars in further proceeds,
25 GETTEL and C.D. would repeat this process over again, pretending
26 to third lenders that the second loans had also been paid in
27 full, when in fact both the first and second loans remained
28 outstanding.

12. Using this fraudulent scheme, GETTEL, C.D., and J.G. obtained the following second and third loans, totaling approximately \$33.6 million in fraudulently-obtained proceeds, by concealing the existing debt and falsely pretending that each lender would have a first-position secured interest in the following properties:

Property	Approx. Date	Lender	Approx. loan amount
Mar Scenic	8/29/2013	R2R	\$3,000,000
Calle Del Oro	10/31/2013	Anchor	\$3,600,000
Avenida Cresta	4/1/2014	Ragen	\$3,000,000
Calumet	4/14/2014	Anchor	\$4,625,000
Avenida Cresta	5/7/2014	LJ 6309	\$4,000,000
Calumet	6/3/2014	CPIF	\$9,818,000
Calle Del Oro	7/15/2014	CPIF	\$3,089,000
Mar Scenic	10/9/2014	Partner's Capital	\$2,646,000
		Total:	\$33.6 million

All in violation of Title 18, United States Code, Section 1349.

FORFEITURE ALLEGATION

13. Upon conviction of the felony offense alleged in this Indictment and pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 28, United States Code, Section 2461(c), and Rule 32.2, Federal Rules of Criminal Procedure, defendant COURTLAND M. GETTEL shall forfeit to the United States any property, real or personal, which constitutes or was derived from proceeds traceable to such violation, including, but not limited to a forfeiture money judgment in an amount not less than \$33,600,000.

1 14. If any of the above-described forfeited property, as a
2 result of any act or omission of GETTEL, cannot be located upon the
3 exercise of due diligence; has been transferred or sold to, or
4 deposited with, a third person; has been placed beyond the
5 jurisdiction of the Court; has been substantially diminished in value;
6 or has been commingled with other property which cannot be subdivided
7 without difficulty, it is the intent of the United States, pursuant to
8 Title 21, United States Code, Section 853(p), made applicable herein
9 by Title 28, United States Code, Section 2461(c), to seek forfeiture
10 of any other property of the defendant up to the value of the property
11 described above subject to forfeiture.

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13 LAURA E. DUFFY
14 United States Attorney

15 DATED: 5/19/2016

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17 EMILY W. ALLEN
18 Assistant U.S. Attorney
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